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ABSTRACT

The second annual report of the Southeastern Library Network (SOLINET) documents the initiation of shared cataloging service to member libraries. Reports from several libraries recount their experiences in using the services of the Ohio College Library Center (OCLC) through SOLINET. Then the training program used to instruct staff members of 86 SOLINET libraries on the use of OCLC is described. Two special projects--the Florida Union List of Serials and the Florida Computer Output Microform Catalog--and SOLINET's plans for the future are explained briefly. A summary of the actions of the SOLINET Board of Directors; lists of network members, board members, staff members, and committee members; and the network's bylaws and financial statements are appended. (Author/PF)

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SOLINET

ANNUAL REPORT
1974-1975

SOUTHEASTERN LIBRARY NETWORK, INC.
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615 PEACHTREE STREET, N.E.
ATLANTA, GEORGIA 30308

U S DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

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Southeastern Library Network, Incorporated (SOLINET) is an affiliate of the Southern Regional Education Board (SREB).

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Back, L-R: J. Govan, G. Harrer, P. Parker, R. Frantz, P. Spence.
Front, L-R: R. Edwards, J. Gribbin, K. Toombs, J. Givens, C. Gardner, R. Simmons.

Introduction

The second annual report of the Southeastern Library Network (SOLINET) documents the initiation of shared cataloging service to member libraries. It also covers the period during which SOLINET established a full-time staff and a headquarters for service and development, a year highlighted by the development of working relationships with the Ohio College Library Center (OCLC) and with the Southern Regional Education Board (SREB).

"It was," in Charles Dickens' words, "the best of times. It was the worst of times." The sense of accomplishment that followed the installation of each new terminal was tempered by the frustration that was felt when target dates were passed without action. But as the year ended, progress toward a complete network overshadowed the problems encountered along the way.

The multistate computer-based library network is a communications switching center. It is also a locus of policy determination for cooperative activities, and it is the catalyst speeding the change from the past to the future in local library service. Finally, it is the agency that provides those services that can be centralized to achieve economy of scale.

First among the long list of necessary services within the domain of interstate networks is bibliographic access. Users of libraries and information systems need the answers to three questions: What information exists that will help me? Is it available? How can I get it quickly? The growing rate at which important works are published in all media and languages renders increasingly difficult the creation, management and use of a library catalog. This in turn affects the task of providing readily available bibliographic information. SOLINET, attempting to alleviate these problems, is focusing its main effort on shared cataloging services. This report records the current status of SOLINET's progress toward achieving bibliographic interdependence and excellence in the Southeast.

Few interstate library networks were in existence when SOLINET began; no national plan or program for the development and utilization of library networks had emerged. Systems for sharing information resources had been successful only in limited trials. Government agencies had paved the way in specialized areas—medicine, atomic energy, space science; and OCLC had demonstrated its utility in Ohio, New England, and Pennsylvania. Leaders of the library professions, awakening to the potential of computer-assisted bibliographical access, initiated a rapid change;

they urged government agencies and professional associations to formulate a unified policy leading toward computer-assisted nationwide library and information services. The National Commission on Libraries and Information Science (NCLIS), responding to the need in June, 1975 released this important statement:

> [The Commission] suggests that by building upon multistate regional resources and existing organizations, many of the nation's bibliographic resources can be conserved . . . [while library service is reaching] a greater number of citizens than is now the case. . . . Many of the emerging regional groups . . . realize the benefits and responsibilities inherent in network supported interdependency, and this is fostering a new approach to library and information service.

These expectations of the National Commission deserve examination and consideration. Do multistate library networks constitute a foundation for building a national resource? No. Networks are not the foundation; they are the connective tissue needed to articulate the whole. Collections of materials, data bases and people in information service constitute the foundation upon which networks can be built. Can multistate networks such as SOLINET assist in the conservation of bibliographic resources? Yes, a network can and should operate to conserve the time, effort and money necessary to create bibliographic access. Through cooperative activities that utilize computers and telecommunications (networks) it is possible for catalogers and bibliographers to avoid redundant efforts and therefore to organize for use more of the world's output of significant recorded information.

Can networks assist existing information services to reach a larger number of information seekers and users? This is a possibility. Networks expand the library service arena by providing access to uncommon or distant resources and by relieving local library personnel of certain time-consuming tasks, thus freeing them for direct user service. It is fair to say that the interstate network is important to the future function of the individual library and to the intrastate cooperative. Networks cannot replace or supplant the functions of other information agencies; but combining with them, the interstate network constitutes an entitity whose bibliographic and fiscal resources are substantial enough to make a significant impact on the course of national and, ultimately, international progress.

Operations

The central theme of SOLINET activity during the first six months of the year was contracts. Although the agreement between SOLINET and OCLC had been completed, it took several weeks to obtain a signed copy of that contract. This task, however, paled into oblivion compared to the work of obtaining signed contracts for service from each charter member. A model contract had been drafted by the law firm of Jones, Bird and Howell. This firm, one that had developed considerable expertise in computer-centered contracts, had represented SOLINET in negotiations with OCLC. They attempted to provide in the contract all the assurance that would be required either by SOLINET or by a SOLINET member. Hopes for quick acceptance and signing by the participants were short-lived. Public institutions in each state had individual requirements based on state law. There were problems of wording, substantive problems, and seemingly endless reviews by boards and committees. Private institutions, too, had problems with the recognition that they were signatories to a document in which the other party (SOLINET) did not have full control over the services to be delivered. SOLINET finally received all the contracts, some of which had been adjusted to local needs but none of them radically different from the model. SOLINET had boldly placed orders for the OCLC terminals while contracts were being negotiated, assuming that the contracts would be signed and that the network would not be liable for the cost of unpurchased terminals. This hurdle was passed. Since the contracts are for one year, the hurdle will be repeated; but the experience of the first cycle should give all the parties confidence in repeating the action.

SOLINET emerged from its long period of initial planning and contract negotiation when, on January 2, 1975, three terminals at Emory University were connected to the Ohio College Library Center and a handful of books was cataloged. Within a few days, Georgia Institute of Technology and Georgia State University had their terminals. New installations were scheduled to take place at the rate of five per week until all SOLINET charter members could be served.

The proposed schedule, however, bore little relationship to the actual experience. Unforeseen delays in terminal procurement, profile preparation, and leased line arrangements required the utmost patience on the part of SOLINET members, many of whom had waited three years to begin the use of the new service. Some members were more than mildly inconvenienced by the delays: in

anticipation of the on-line shared cataloging system they had rearranged staff assignments, changed offices and discarded or exhausted supplies of forms used in manual cataloging systems. The wait caused a backlog of cataloging and the wavering of usually mellow dispositions.

Installation progress was sporadic throughout the late winter and into the spring. The Georgia library members, with few exceptions, were the first to be served; consequently the inevitable start-up problems were located close to the SOLINET office where remedial efforts were more easily applied. The second group of terminals went to Florida members, and as the number of terminals increased, a second telephone circuit was added to divide the rapidly growing communications traffic.

The planned schedule stretched beyond its limits while frequent reminders to OCLC sought fulfillment of the contractual obligation to have service installations completed by June 30, 1975. When that date arrived the task was 98 percent complete: seven telephone circuits were in place; one hundred and fifty terminals were connected to the data base; eighty-five profiles had been loaded into the computer to produce catalog cards for as many institutions.

SOLINET members encountered both ordinary and unique problems as they received their terminals and completed training. The most serious problems were those related to system downtime and to slow response time when the system was operational. Initial service to SOLINET began just as OCLC was attempting to overcome a severe overload of the system through the addition of a new computer and associated software changes. The transition from a manual system to a machine-aided system whose dependability was uncertain threatened the general acceptance of the new and expensive hardware. Fortunately, the troubles did not endure; integration of the new computer equipment with the old computer reduced downtime to respectable levels. Response time improved. User excitement and acceptance grew with better system performance. The librarian of one institution reported orally that in the enthusiasm for the wonder of on-line cataloging, the lunch break went by unnoticed when the terminal first began to work for them.

A generalized account of system development cannot be as graphic as a record of a SOLINET installation in a member library. The edited text of one library report is representative of many other reports that came to SOLINET during this period.

The cataloging staff was busy during the year preparing for the arrival of the SOLINET computer terminal.

SOLINET had a training session in the use of the terminal on March 6. It was a very informative session and a session in which some of our anxieties were erased. A sample order for catalog cards for 16 books was placed at that time to check the profile. The first shipment of catalog cards from OCLC arrived in the library on March 19, 1975. The catalog cards were checked and determined to be accurate with the profile. Catalog cards were ordered for 63 books on that day, March 19. Of course, all books had previously been checked to make sure of their inclusion in the system; therefore, those 63 books were among the easiest to order. As of this date, catalog cards are ordered as the book is found to be in the system; those books considered to be a problem, no matter how minor, are put aside to be taken into account at another time when the person is not at the terminal.

Since [our institution was] among the first to be scheduled to receive the SOLINET computer terminal, the installation procedure has worked very well in our case. The installation date of the terminal was scheduled for January. The local maintenance staff installed the electrical outlets needed by Christmas, 1974. The local telephone company installed the telephone lines and the dataphone by the middle of February. By then, SOLINET was forecasting unavoidable delays because of strikes, economic conditions and misunderstandings. But, by Monday, March 3, 1975, the computer terminal was installed by Syntonics, Inc. The Georgia telephone lines gave minor problems at first—keeping the terminal operational. On the whole the terminal has been working fine. There was a three month warranty on the terminal unit itself. SOLINET personnel said it was our responsibility to notify the Ohio College Library Center if there was any operational trouble. However, SOLINET backs up its members through regular communications to the members and everyday working with the Ohio College Library Center. OCLC has been very cooperative any time they have been notified. On March 13, 1975, OCLC determined a problem to be in the terminal. By March 17, 1975, Syntonics had replaced the cursor element in the terminal, and once again it was operational. On May 21, 1975 at 9:30 a.m. OCLC diagnosed a telephone line problem and by 11:30 a.m. of the same day the local servicemen of the telephone company determined the dataphone was not working properly. That afternoon an official of the local phone company called the director of library services about a replaced dataphone in the next two days. A new dataphone was installed by 3:30 p.m., May 22, 1975. As of June 1, 1975, the warranty has elapsed on the terminal, but the staff feels confident of its dependability and the network's reliability.

From March 19, 1975 through May, 1975, catalog cards were ordered through the terminal for 1444 books. During this time period, 2252 books were processed.

The cataloging staff has achieved excellence in their performance and attitude with the addition of the computer terminal.

This report cannot provide a satisfactory indication of the volume of activity to be expected in the network. Fewer than half the charter members of SOLINET had three months of productive cataloging activity by June 30, 1975. Fifteen had none at all. Their results, fragmentary at best, provide only a hint that the system did meet a need and that it would, in time, be heavily used. The statistics furnished by OCLC show SOLINET system use in fiscal 1975 as follows:

86	member libraries recorded some use of the OCLC system
107,289	total records in the data base were used by all of the libraries together for cataloging purposes
89,309	records in the data base were used by SOLINET libraries on a first-time-use basis
10,820	records were added to the data base by SOLINET libraries
7,700	records that had already been used on a first-time-use basis were used again

Analysis of the activity leads to the expected observation that the more productive users are those with the greater amount of experience in the use of the system. Fear and inertia must be overcome by each user. As this occurs, the productivity of the individual libraries will increase and total system use will rise. One measure of activity is the number of first-time-uses (often called hits) of the system. SOLINET members, as recorded above, had 89,309 first-time-uses in six months of fiscal 1975. By December of 1975 this figure is expected to rise to 80,000 first-time-uses per month. This represents nearly a six-fold increase in six months. During fiscal 1976, SOLINET will produce about twenty percent of OCLC's system activity.

Some of the subjective responses of member-users, sent upon request to the SOLINET staff as casual observations and comments for the annual report, are recorded here to flavor and conclude an otherwise lifeless gathering of figures. The selection of response attempts to be objective, giving equal emphasis to the disappointments and successes of the period.

From a Florida member:

The major event within the Cataloging Dept. in fiscal year 1974/1975 was introduction of on-line computerized cataloging through the Library's membership in SOLINET, the Southeastern Library Network. . . . The reorganization and adjustments necessitated by the introduction of the automated system caused some reduction in the titles cataloged but also permit a more efficient operation of the entire cataloging process. It is anticipated that catalog records for many of the more difficult titles now in the backlog or FASTCAT collection will be found in the data base, having been input by the larger university libraries. In addition, initial experience indicates that approximately half of the currently received books already have cataloging present in the data base and these materials are cataloged immediately, never entering the FASTCAT processing system. As noted above, catalogers can make use of workforms to allow input on the terminal by clerical personnel of original and new record cataloging. Finally, all cards produced on the terminal arrive in correct filing order with raised headings. This arrangement eliminates, for an increasingly large number of titles, the typing of a card master, reproduction of card sets, sorting of cards, and typing of headings. The effect of these and other changes in technical services will be the basis of a new departmental manual, the completion of which will be a primary objective of the department in fiscal year 1975-1976.

From a state university:

The University has been on line with OCLC since June 13, 1975 and the staff of the Catalog Department is unanimous in declaring the system the most remarkable of inventions! We expect that as we become more adept in operating the terminal, and as several problems with the system are solved, the time-lag in cataloging will virtually disappear. As an example: we searched 282 "rejects" from the Library of Congress, and located 179 in the OCLC data base. This will mean a significant reduction in our original cataloging. . . . Nothing is perfect, of course, and there are several things we think have to be improved in the system before we will get our money's worth out of it. The most frustrating is the length of the response time during the hours of peak usage. Clerks have had to wait as long as twenty-five minutes and a five-minute wait is usual during the middle of the day. . . . We think the time-lag in the receipt of cards is too long. . . . Let me repeat, that in spite of these drawbacks, we are enthusiastic about SOLINET and look forward to its realized potential.

From a library familiar with data processing:

The Monographic Cataloging Division experienced a dramatic change with the coming of the CRT terminals and access to the OCLC Data Base on January 24, 1975. Terminal use increased

from 110 hours per week to the present 150 hours. . . . We have more than met our commitment for card production and the accompanying reports show our production records.

Our phasing out of local Data Processing records is reflected in the attached statistical report. We have just begun to realize the capabilities of this new system and have before us many areas yet to explore. As new capabilities become available at OCLC, other departments of the Library will become more involved with the terminals. Our biggest headache is terminal system malfunctions resulting in downtime, but with the addition of the new Sigma-9, this situation should improve.

From an urban university:

Our problems have been the common ones, downtime on the terminals at the most inconvenient times and slow response time.

We are concerned about the number of duplicate and near duplicate records in the data base. Ferreting out the proper one for use can be time-consuming and frustrating. It seems to us that if a clear definition of "edition" were adopted much of the confusion could be avoided.

From another urban university:

Although our beginning months of operation were somewhat discouraging we feel that things are now running smoothly. . . . We are naturally concerned about increasing costs at a time when the financial picture is somewhat bleak. . . .

We know that we are getting our cataloging information faster. In the past we have held books to wait for LC cards. The number we held and the time we held them depended on the efficiency of LC's card division. We never held any book longer than 3 months, however, waiting for cards. Since SOLINET we have been able to change that time limit and at present it takes a book no longer than 2 weeks to be cataloged. It takes a book no longer than 2 weeks to be processed (a total of 4 weeks in the department). However, the majority of the items (probably 95 per cent) are completely through the department within 2 weeks. . . .

This does not necessarily indicate a savings in funds since we upgraded clerical positions from typists to terminal operators in order to compete with the going rate for such operators.

From a processing center:

In the two months that we have been authorized to produce cards, we have cleared out 80 percent of our troublesome backlog of uncataloged books. These books had been searched and researched over the last two years in NUC and BPR with no success. In a matter of a few weeks we had found all but 40 of the 200 entries. On an order of 374 books . . . all but two records

were found! The searching took 1½ weeks to complete; however, on a number of days the terminal was used less than five hours a day.

Our backlog is the lowest it has been in 2 years.

From a state college:

The only data available at this time to compare with the cataloging by the professional catalogers is as follows: for the period of June 9—June 30, 1975, 1,109 titles with an additional 164 copies for a total of 1,273 books were cataloged with the aid of SOLINET and made available for patron use. During this same time period, two catalogers cataloged and made available for use, 1,254 volumes. Thus, it appears that SOLINET works slightly over twice as rapidly as two catalogers. . . . Our backlog is so great that in terms of actual physical time one terminal cannot at the present time handle the backlog and the new acquisitions. It is hoped that by the end of one calendar year after its installation . . . the backlog will be gone, and that SOLINET will easily be able to handle the current acquisitions.

We have experienced rather lengthy periods of slow response time when it would take as long as three to five minutes to receive a response after the request had been polled. . . . When we first began using the terminal long periods of downtime were noted. This has not been as great or as frequent recently . . ., [but] we were without the use of the terminal for three working days as a result of these malfunctions.

On a percentage basis, we have found that the majority of our acquisitions are in the data base. Of 3,215 titles searched during the time period covered by this report, 213 were not found in the data base. . . . All in all we look forward to a greater and more expanded use of SOLINET as its fullest potentials are realized.

Training

Staff members of eighty-six SOLINET member libraries have received instruction on the use of the OCLC system. The SOLINET training staff has presented a four-part program consisting of:

1. An introduction to the use of the OCLC system
2. The preparation of catalog card profiles
3. Bibliographic records meetings
4. Terminal operation workshops

An introduction to the use of the OCLC system was presented at a meeting in Atlanta on October 2, 1974. The meeting was a success because the four speakers from Ohio—Pat Lyons of Walsh College, Ruth Rose of Hiram College, Kaye Gapen of Ohio State University and Mildred Dugas of Ohio University—made enthusiastic, interesting, and thoughtful presentations. Each of the four described her library's use of the OCLC system and together they provided a framework for viewing the system. The meeting was recorded and tape cassettes, although marred by sound system problems, were made available for later use by each library.

The preparation of catalog card profiles, the most time-consuming training activity, was valuable because it provided OCLC with a description of each library's catalog card needs and gave each library information on how OCLC's card-production system works. The profile process included: a visit to each library, negotiation and preparation of a final version of the profile questionnaire, and the coding of some of the questionnaire information for easier processing by OCLC. Member libraries provided assistance needed to complete profiling. After training for a week in Atlanta, Laurel Stanley of Tulane University, Robert Connell of the University of Alabama at Birmingham and Patricia Martin of the Georgia Institute of Technology visited and prepared profiles for several libraries. (The profile process is a continuing one because changing library needs are often reflected in changing catalog card requirements.)

Seven bibliographic records meetings in five different cities were held to introduce to SOLINET libraries the framework used by OCLC to display bibliographic records. Study materials and documents about the proper use of OCLC bibliographic records were distributed. Two, three, or four persons from each participating library attended.

Each library, with few exceptions, received a one-day visit for terminal training and the final phase of the program. Terminals

in most libraries had been received a few weeks in advance, providing personnel the opportunity for familiarization before receiving instruction. The distribution of a SOLINET training manual in late May was helpful to libraries that were just beginning terminal use.

The training staff asked some of the members for assistance in presenting terminal workshops for approximately sixty member libraries that received terminals between mid-April and late June. Susan Holt of the Georgia Institute of Technology, Lynne Lysiak of Appalachian State University, and Sherrie Schmidt of the University of Florida, each of whom has had previous experience with use of the OCLC terminals, provided that help.

The nature of the OCLC system, dynamic and unpredictable, both benefits and deters the learning process. It has been neces-

sary for SOLINET libraries, during the six months of using the system, to adjust to several system changes. Some of the major changes have been in the structure and number of indexes, the method of creating new data base records, and the number of characters in the holding library codes. Most of the changes have been improvements; but change does not aid the learning of a new system.

Because of the dynamic nature of the system, keeping manuals current has been difficult. Finding the answer to a question often has necessitated searching through three manuals, two sets of newsletters, a stack of memoranda, and numerous meeting handouts. The basis of the OCLC system, however, is catalog records, the content of which is familiar. The system is designed for use by librarians, and when actual terminal use begins, they are confronted, not with a mechanical monster, but with a typewriter-like keyboard, a T.V.-like screen and a vocabulary that is succinct, but cheerful—"good morning," "goodbye," "request impossible," and "message not clear." The command keys are few and most people have found that learning to use the terminal is fun.

SOLINET libraries influenced the training program, benefiting the training staff in many ways. Individuals who assisted have already been mentioned, but all member libraries contributed with questions, patience, and determination to learn to use the system well. They helped as well in material ways, with rides to and from motels and airports and with friendly hospitality. Most importantly, they helped by always making SOLINET personnel feel welcome.

Although this report focuses on the meetings and materials provided by the SOLINET office, the major learning process occurred in the libraries. Most of the libraries had their own training program to reinforce and go beyond the program that was provided. The SOLINET training program served primarily to underline the major aspects of the system.

The training program also was influenced by the geography of the SOLINET area. Effort was made to schedule visits so that a group of libraries in a particular area was included in one trip. Arranging trips throughout the SOLINET area from Atlanta, a transportation center, was relatively easy. (It is important that the size of the SOLINET area not detract from SOLINET's role as a cooperative network.)

The training program was organized and presented by Ken Thomas and Michele Dalehite. Ken had acquired experience with

the OCLC system in the catalog department of Miami University, Oxford, Ohio, and as cataloger at the Cooperative College Library Center, an OCLC affiliate in Atlanta, Georgia. Michele had worked for a year in libraries before attending library school at Florida State University. She contributed a quick grasp of the materials, a strong sense of responsibility and much charm and energy. Camille Josey aided Ken and Michele in many ways, making—and often remaking—travel arrangements as needs changed, and providing essential support in all areas.

The end of the first year's program marks accomplishment in providing basic system-use training to about ninety libraries. Additional challenge lies ahead in training new members, maintaining catalog card profiles, providing programs to aid system use by current members, and interpreting information on developments at OCLC.

SOLINET gratefully acknowledges the substantial assistance to the training program granted by the Council on Library Resources.

Special Projects

Two special projects have taken new shape and direction within the SOLINET area as a direct result of the initiation of SOLINET activities. One of these projects is the Florida Union List of Serials (FULS); the other is the Florida Computer Output Microform Catalog (COMCAT).

FULS

The FULS program is centered at the University of Florida, Gainesville. Its initial purpose is to provide Florida libraries with a comprehensive record of the holdings of all serials and journals within major library collections. FULS listings will become a part of a national listing of serial and journal information available in machine readable form. Delays in the establishment of this central listing at OCLC have postponed the input of large quantities of serials data from FULS and other sources. It is, however, an important project for future operations.

COMCAT

Fifteen Florida libraries are participating in a retrospective catalog conversion which has as its ultimate goal a machine readable union catalog of their holdings. The project, known as Florida COMCAT, is funded by a $941,603 federal grant. The Orlando Public Library, under contract with the State Library of Florida, is operating as fiscal and administrative agent. COMCAT's goal is to convert 1.6 million records (50% of the Florida holdings) by December 31, 1975. As the final product of the project, a microfiche title catalog will be distributed to each participant.

Thirty-six terminals are being used for conversion at the central location in Orlando, Florida. Microfilm copies of the shelf list are being used as the data source. Sixteen additional terminals are located in selected participating libraries where the actual shelf lists are the data source. Space availability, funding limitations, collection size and catalog complexity have been considered in determining the data collection method to be used at each library.

The COMCAT terminals are connected directly to the OCLC system for this conversion. The resultant data base will be a part of the SOLINET system since each participant is also a member of SOLINET. As of June 30, 1975, 480,000 catalog updates have been entered. (Included are 47,000 new records which have been added to the system.) A count by OCLC indicates that nearly 300,000 OCLC records include one or more COMCAT library hold-

ing symbols. The project is operating on schedule and the first catalog should be available in late fall 1975.

COMCAT, probably the most important cooperative project that has been undertaken by the State Library of Florida, will have a positive impact on library service in the state. The continuing success of this conversion demonstrates that such large scale projects are now feasible and could be considered elsewhere in the library community.

Future Plans

SOLINET leaders promised the charter members that SOLINET would establish a regional center for bibliographic cooperation. The idea has not been forgotten. The SOLINET staff will be enlarged during fiscal 1976 to provide a beginning effort toward the fulfillment of this promise.

The new technical group will examine alternatives for future bibliographic services. Several multi-million dollar research efforts to produce an integrated system for the use of computers in library systems are nearing conclusion. The utility of each of these services will be examined by SOLINET to determine whether it could meet the needs of SOLINET members. Costs and transportability will be determined for any system that can meet the bibliographic requirements. As the determination of a future course of action is reached, the decisions and requirements will be reviewed with the widest possible representation of SOLINET members. Time is of the essence: three years of the SOLINET/OCLC contract remain. SOLINET, during this period, must reach its decisions, complete its funding and commence the activity that will provide a smooth transition to a regional network.

Producing a system that will meet SOLINET's current need for shared monographic and serial cataloging requires the concluding of three categories of development: a communications network, a computer data center operation, and a manufacturing center for cards, fiche, bibliographics or printed items of any kind. OCLC now furnishes all three. SOLINET will attempt, as a logical step, to attain basic control of its own communications. Should this be achieved, SOLINET would be able to reduce member expense and provide improved control of leased lines, modems and terminals. SOLINET later would take steps toward data base construction and product production.

Long range future plans, including sharing of materials and data sources, have been discussed as conceptually interesting. No steps have been taken to study or to develop any of these ideas, and no steps will be taken without the consent of the membership. It is their needs in all activities, current and future, that must be served.

Appendices

Appendix A Actions of the Board of Directors and Membership

This section of the report brings together for reference the actions taken during the year by the Board of Directors and by the membership. Actions are summarized from the minutes by date.

In July 1974, the Board:

Elected its officers for this year:

Kenneth E. Toombs	Chairperson
Johnnie E. Givens	Vice-Chairperson
Paul H. Spence	Secretary
Ray W. Frantz, Jr.	Treasurer

Approved a budget of $226,000 for the operation of the SOLINET headquarters.

Approved the wording of a membership contract between SOLINET and SOLINET members seeking use of the shared cataloging module.

Approved a plan for "clustering": use of one terminal by co-located SOLINET members.

Assigned to the Vice-Chairman the responsibility for leading the fund-seeking effort.

Established an Executive Advisory Committee of the Board consisting of its officers and the immediate past-chairman to act for the Board between regular meetings if required.

In September 1974, the Executive Advisory Committee:

Directed that a statement of goals and objectives be drafted and reviewed.

Accepted a grievance and termination procedure for staff personnel.

Sought guidance on fund-raising from SREB.

In November 1974, the Board:

Voted to assess the 10¢ surcharge for first-time use authorized by the membership in March.

Approved the selection of James Kennedy to be Technical Director of SOLINET.

Approved the SOLINET logotype.

Welcomed the appointment of Dr. Robert C. Edwards as the second SREB Board member.

Ratified the action of the Executive Director in considering Asbury College and Asbury Theological Seminary as one member.

Approved use of SOLINET funds to pay excess leased line charges (over $210 per month per member) during the build-up period ending June 30, 1975.

Approved use of SOLINET funds to pay excess maintenance charges, if any, during calendar 1975. (Excess means an amount over the $468 annual charge per terminal.)

Accepted a benefits program package for SOLINET employees.

Approved a cluster arrangement in North Carolina.

Agreed to co-sponsor the ALA-ISAD networks meeting in New Orleans.

Agreed to cooperate with the Florida COMCAT project for mutual benefits and to provide a model for similar projects.

Approved membership applications from Jacksonville, Miami-Dade, Orlando, and the Tampa-Hillsborough Public Libraries as part of the COMCAT/SOLINET agreement.

In March 1975, the Board:

Decided to meet as a Board about every other month, using the Executive Advisory Committee for emergencies only.

Decided not to act as a resale agent for on-line printers.

Accepted the membership application of the South Carolina State Library.

Agreed to revise certain bylaw provisions.

Appointed committees on types of membership and quality control.

In May 1975, the Board:

Approved dues for the following year in the amount of $150.00.

Approved fees for the following year in the amount of:

$0.25 surcharge—to go to $0.30 if additional funds absolutely necessary later in year
0.01 for each serial check-in

Agreed that salary increases be within the range expected to be approved by the various states in the area (probably between four and five percent), and that exceptions be strictly on a basis of merit and accompanied by specific reasons.

Approved making available statistics on system use by members.

Approved change of annual meeting schedule to fall, beginning with a meeting in the fall of 1976. (Spring meeting of 1976 to be retained.)

Approved the following requirements for membership:

I. Union Catalogs
   1. Initial membership fees of $2,000
   2. Annual dues equal to the dues paid by other SOLINET members
   3. All fees for services charged to other SOLINET members

II. Processing Centers

1. Initial membership fee of 1.5% of the combined acquisitions budgets of the participating libraries
2. Annual dues equal to the dues paid by other SOLINET members
3. Fees for services in consonance with cost of services rendered as determined by the SOLINET office and the Board

Agreed that membership would entitle the organization to one vote.

Directed the Executive Director to prepare clear definitions of a processing center.

Authorized Executive Director to rent a bank lock box for the use of SOLINET.

Decided that an abstract of the minutes should be prepared and distributed to members soon after the Board meeting; also that members be informed that the full minutes, after approval by the Board, would be available upon request from SOLINET.

Approved informing the Georgia State Department of Education Library that their application was considered as a single library.

Adopted with editorial changes the *Policy Statement on Fund Seeking*, and instructed that it be sent to SREB for final approval before distribution to the membership.

Approved asking SOLINET members to withhold the inputting of retroactive records until the Board can consider the many problems involved.

In June 1975, the Board:

Approved unanimously authorizing the Executive Director to offer the position of Technical Director to James Corey.

In May 1975, SOLINET members attending the Annual meeting:

Elected John Demos, Joseph Boykin and Joel Stowers to the Board of Directors.

Adopted amendments to the bylaws and approved changes of wording.

Adopted the following fees proposal:

1. Surcharge for first-time use—a fee not to exceed $0.30 for each first-time use
2. Surcharge on serials check-in (when this service is available)—a fee not to exceed $0.01 per check-in
3. Surcharge on other services that may be initiated during fiscal 1976 by OCLC—a fee not to exceed twenty (20%) percent of the per unit cost of the service made by OCLC. Thus, for a service priced by OCLC to SOLINET at $0.15 per use, the SOLINET surcharge could not exceed $0.03 per use

Appendix B Administrative Activity

Personnel Changes

Additions:

Michele Dalehite, training associate, September
Camille Josey, secretary, February
James H. Kennedy, technical director, December
Mary Ann Littlefield, secretary, October
Geoffrey Pope, secretary, March
Charles H. Stevens, executive director, July
Kenneth A. Thomas, training coordinator, July
Elizabeth Tracy, secretary, May
Ruth Wells, secretary, August
Cynthia Wilkinson, administrative assistant, August
Velda Williams, secretary, June

Terminations:

James H. Kennedy, April
Mary Ann Littlefield, January
Geoffrey Pope, May
Elizabeth Tracy, June
Ruth Wells, May

Space Utilization

SOLINET occupied one office unit at SREB headquarters in July; moved to a six office unit in the SREB annex at 615 Peachtree Street in August; expanded to 9 offices in January and 15 as the year ended. The total area in use on June 30 was 2,250 square feet.

Public Relations

SOLINET revived its newsletter, renamed it SOLINEWS and published four issues in fiscal 1975. A series of numbered memoranda covered current information in training, billing, terminal installation, service charges and system administration.

Appendix C List of Members

ALABAMA

Auburn University
Auburn
Jacksonville State University
Jacksonville
Troy State University
Troy
University of Alabama
University
University of Alabama
Birmingham
University of Alabama
Huntsville
University of South Alabama
Mobile

FLORIDA

Brevard Community College
Cocoa
Broward Community College
Fort Lauderdale
Central Florida Community College (*)
Ocala
Florida Agricultural & Mechanical
University
Tallahassee
Florida Atlantic University
Boca Raton
Florida International University
Miami
Florida Junior College
Jacksonville
Florida State University
Tallahassee
Florida Technological University
Orlando
Indian River Community College (*)
Fort Pierce
Jacksonville Public Library
Jacksonville
Lake-Sumter Community College (*)
Leesburg
Manatee Junior College (*)
Bradenton
Miami-Dade Community College
Miami
Miami-Dade Public Library
Miami
North Florida Junior College (*)
Madison
Orlando Public Library
Orlando
Palm Beach Junior College
Lake Worth
Polk Community College (*)
Winter Haven
Seminole Junior College (*)
Sanford
State Library of Florida
Tallahassee
Tallahassee Community College (*)
Tallahassee
Tampa-Hillsborough Public Library
Tampa
University of Florida
Gainesville
University of Miami
Coral Gables
University of North Florida
Jacksonville
University of South Florida
Tampa
University of West Florida
Pensacola
Valencia Community College
Orlando

GEORGIA

Abraham Baldwin Agricultural College
Tifton
Agnes Scott College (CL)
Decatur
Armstrong State College (§)
Savannah
Augusta College
Augusta
Columbia Theological Seminary (CL)
Decatur
Emory University
Atlanta
Fernbank Science Center (CL) (§)
Atlanta

Fort Valley State College
Fort Valley
Georgia College
Milledgeville
Georgia Department of Education
Division of Public Library Services (§)
Atlanta
Georgia Institute of Technology
Atlanta
Georgia Southern College
Statesboro
Georgia Southwestern College
Americus
Georgia State University
Atlanta
Kennesaw Junior College
Marietta
Macon Junior College
Macon
Medical College of Georgia
Augusta
Mercer University (§)
Macon
Middle Georgia College
Cochran
North Georgia College (*)
Dahlonega
University of Georgia
Athens
Valdosta State College
Valdosta
West Georgia College
Carrollton

KENTUCKY

Asbury College (CL)
Wilmore
Asbury Theological Seminary (CL)
Wilmore
Eastern Kentucky University (§)
Richmond
Kentuckiana Metroversity, Inc. (CL)
Louisville
Northern Kentucky State College
Highland Heights
Southern Baptist Theological Seminary
Louisville
University of Kentucky
Lexington
University of Louisville
Louisville

LOUISIANA

Louisiana State University
Baton Rouge
Loyola University
New Orleans
McNeese State University
Lake Charles
New Orleans Public Library
New Orleans
Northeast Louisiana University
Monroe
Tulane University
New Orleans
Southeastern Louisiana University (§)
Hammond
University of Southwestern Louisiana
Lafayette

MISSISSIPPI

Mississippi State University
State College

NORTH CAROLINA

Appalachian State University
Boone
Davidson College
Davidson
East Carolina University
Greenville
Elizabeth City State University
Elizabeth City
Fayetteville State University (*)
Fayetteville
North Carolina Agricultural &
Technical State University
Greensboro
North Carolina School of the Arts (CL)
Winston-Salem
North Carolina State Library
Raleigh
North Carolina State University
Raleigh
Southeastern Baptist Theological
Seminary
Wake Forest

University of North Carolina
Asheville
University of North Carolina
Chapel Hill
University of North Carolina
Charlotte
University of North Carolina
Greensboro
University of North Carolina
Wilmington
Wake Forest University (CL)
Winston-Salem
Western Carolina University
Cullowhee
Winston-Salem State University (CL)
Winston-Salem

SOUTH CAROLINA

Clemson University
Clemson
College of Charleston
Charleston
South Carolina State College
Orangeburg
State Library of South Carolina
Columbia
University of South Carolina
Columbia
Winthrop College
Rock Hill

TENNESSEE

Austin Peay State University
Clarksville
Joint University Libraries
Nashville
Middle Tennessee State University
Murfreesboro
Southern Missionary College (*)
Collegedale
Tennessee Technological University (§)
Cookeville
University of Tennessee (§)
Chattanooga
University of Tennessee
Knoxville
University of Tennessee
Martin
University of Tennessee (§)
Nashville
University of the South
Sewanee

VIRGINIA

College of William & Mary
Williamsburg
University of Virginia
Charlottesville
Virginia Commonwealth University
Richmond
Virginia State Library
Richmond
Washington & Lee University
Lexington

(*) not participating in shared cataloging module
(CL) indicates a clustering member
(§) membership application accepted

Appendix D Board of Directors

(July 1, 1974 to June 30, 1975)

Kenneth E. Toombs (Chairperson), University of South Carolina
Robert C. Edwards, Clemson University
Ray W. Frantz, Jr. (Treasurer), University of Virginia
Carroll A. Gardner, Southern Regional Education Board
Johnnie E. Givens (Vice-Chairperson), Austin Peay State University
James F. Govan, University of North Carolina at Chapel Hill
John H. Gribbin, Tulane University
Gustave A. Harrer, University of Florida
Paul C. Parker, State University System of Florida
Robert H. Simmons, West Georgia College
Paul H. Spence (Secretary), University of Alabama in Birmingham
Charles H. Stevens, SOLINET

Executive Director

Charles H. Stevens

Appendix E Staff Members

Michele I. Dalehite
Camille Josey
James H. Kennedy
Mary Ann Littlefield
Geoffrey Pope
Charles H. Stevens
Kenneth A. Thomas
Elizabeth Tracy
Ruth Wells
Cynthia Wilkinson

Appendix F Committees

Bylaws

John H. Gribbin, Chairperson
Johnnie E. Givens

Data Base Quality Control

Suzanne Leary, University of North Carolina at Chapel Hill, Chairperson
Doris Bradley, University of North Carolina at Charlotte
Lillie Caster, North Carolina State University
Kenneth A. Thomas, SOLINET
Homer Walton, Jr., University of South Carolina

Nominating

Charles E. Miller, Florida State University, Chairperson
Gerald McCabe, Virginia Commonwealth University
I. T. Littleton, North Carolina State University

Special Categories of Membership

Paul H. Spence, Chairperson
Carroll A. Gardner
Gustave A. Harrer

Appendix G Bylaws

ARTICLE I.

MEMBERSHIP

Section 1. The charter members of SOLINET shall consist of all institutions in the ten states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Virginia who made firm commitments to participate before February 15, 1973 and who paid their initial membership fees by September 30, 1973. Membership shall be limited to non-profit institutions. Each SOLINET member shall be represented by such person as the institution shall designate from time to time.

Section 2. Dues and fees shall be set in such amounts, and according to such payment schedule as shall be recommended by the Executive Director, approved by the Board of Directors, and then approved by the Members at a membership meeting.

Section 3. A member may withdraw from SOLINET at the end of any fiscal year by serving notice in writing to the Executive Director at least four (4) months before the end of that year.

Section 4. A qualified applicant institution may be elected to SOLINET membership by an affirmative vote of the Board of Directors at any regularly scheduled Board meeting. The qualifications required for membership shall include:

a. Each applicant is a non-profit organization or institution of the type described in Section 503 (b) (1)--(5) of the United States Internal Revenue Code of 1954.

b. Each applicant shall, in the opinion of a majority of the Board of Directors, be an institution that can make appropriate contributions to the SOLINET program.

c. Each applicant institution agrees to adhere to the SOLINET Bylaws and other regulations in effect at the time of joining SOLINET.

d. Each applicant institution shall have completed a current membership obligation document by signature of the appropriate official having authority to commit the applicant to the fiscal obligations of membership.

e. Each applicant institution shall provide for the payment of the initial membership fee and for the dues and fees current to that membership year as set forth in Article 1, Section 2. Dues and fees current for the fiscal year during which admission is granted shall be paid for the entire fiscal year irrespective of the date on which the membership is effective. (Amended May 15, 1975.)

Section 5. Any former member, excepting charter members who shall be allowed one (and only one) readmission without payment of additional membership entrance fee, shall be considered as a new

applicant with no regard for previous payment of initial membership fee. (Amended May 15, 1975.)

ARTICLE II.

SERVICE

A SOLINET member may use the cataloging service and such other services as are provided by SOLINET only under the terms of a current and valid contract between SOLINET and the member for the service(s). The Executive Director shall sign such contracts for SOLINET; the official authorized to commit the member institution to fiscal agreements shall sign for the member. Members shall pay SOLINET for services rendered under any SOLINET contract not later than thirty (30) days after the billing date for any service or equipment furnished. (Amended May 15, 1975.)

ARTICLE III.

FISCAL YEAR

The SOLINET fiscal year shall be July 1 to June 30. The first full fiscal year shall begin July 1, 1973. The initial membership fee paid by charter members shall be for the period March 9, 1973 to June 30, 1974.

ARTICLE IV.

BOARD OF DIRECTORS

Section 1. There shall be a Board of Directors composed of eleven (11) voting members, nine (9) of whom shall be elected by the designated representatives of the SOLINET membership and two (2) to be appointed by the Board of Directors of the Southern Regional Education Board. Five (5) of the nine (9) members from the SOLINET membership shall be from the Association of Southeastern Research Libraries institutions. The Executive Director of SOLINET shall serve as an ex-officio non-voting member. The Executive Committee identified in the "Articles of Incorporation of the Southeastern Library Network" and the Board of Directors are one and the same.

Section 2. The nine voting members from the SOLINET membership shall have staggered three-year terms. Initially, three of these Board Members shall hold three-year terms, three shall hold two-year terms, and three shall hold one-year terms as elected at the March 9, 1973 membership meeting. The first regular terms begin July 1, 1973.

Section 3. Elections to fill expiring or vacant terms of SOLINET representatives on the Board of Directors shall be held at the annual membership meeting each year. The Chairman of the Board of Directors shall appoint a Nominating Committee of at least three members from the total membership. The Nominating Committee shall submit by mail to

the membership at least thirty (30) days before the annual membership meeting at least one name for each vacancy on the Board of Directors. Additional nominations may be made from the floor. Any vacancy on the Board of Directors that occurs during the fiscal year shall be filled for the remainder of the fiscal year by action of the Board of Directors.

Section 4. The Board of Directors shall annually select its own Chairman, Vice-Chairman, Secretary, and Treasurer from among the nine elected members all to serve in these capacities for a fiscal year. Members may be reelected to offices. These officers shall serve as the officers of the Association.

Section 5. Each member of the Board of Directors shall have one vote in all matters coming before the Board. A quorum shall consist of six (6) voting members. (Amended May 15, 1975.)

Section 6. Members of the Board of Directors shall serve without compensation, but may be reimbursed from SOLINET funds for necessary travel and subsistence costs in connection with SOLINET business.

Section 7. Except as otherwise provided, the Board of Directors shall have corporate authority and control over all affairs of SOLINET, and shall prescribe and enforce all needful rules and regulations for the conduct of the business and affairs of SOLINET and the management of its property, subject to the provisions of its Articles of Incorporation, Bylaws, and the Memorandum of Agreement between SOLINET and SREB.

Section 8. The Board of Directors has the responsibility for selection and appointing as well as dismissing the Executive Director of SOLINET. The Board of Directors must also approve, upon recommendation of the Executive Director, the appointment of the Assistant Executive Director, the Technical Director, and the Chief Librarian. The salaries of the professional staff shall be approved by the Board of Directors. The salaries of the service staff shall be determined according to operating personnel and administrative policies of the agency having administrative and fiscal responsibilities to the Network.

Section 9. The Board of Directors may establish such committees as may be necessary for the operation and development of the Network. Members of such committees need not be limited to members of the Board of Directors nor to representatives of SOLINET members. Specialists from outside the SOLINET membership, including those whose compensation and/or expenses are determined and authorized by the Board of Directors, may be appointed to committees.

Section 10. The Board of Directors shall authorize the Executive Director to negotiate agreements and contracts with various groups and outside agencies as may be necessary, but must approve all such agreements.

Section 11. The SOLINET Board of Directors must approve program objectives, policies of the Network, and annual budgets for accomplishment of these objectives.

Section 12. The Board of Directors will advise the SOLINET Director on major committee and task group appointments.

Section 13. The Board of Directors will recommend guidelines for Network operation and subsequent modifications.

ARTICLE V.

OFFICERS

The duties of the several officers of the Corporation shall be as follows:

Chairman: The Chairman of the Board of Directors shall also be Chairman of the Corporation and shall preside at all Membership and Board of Directors meetings; he shall have general and active management of the Board of Directors and the affairs of the Corporation and shall see that all orders and resolutions of the Board of Directors and the Membership are carried into effect. He is responsible for calling regular and special meetings of the Membership and the Board of Directors for transaction of business in accordance with these Bylaws (Article VI., Sections 1 and 2).

Vice-Chairman: The Vice-Chairman shall be the presiding officer at Membership and Board of Directors meetings in the absence of the Chairman and, if necessary, fill the unexpired term of the Chairman.

Secretary: The Secretary shall attend all meetings of the Membership and the Board of Directors, record all votes and the minutes of the proceedings of all meetings, and be responsible for providing copies of minutes, after approval by the Board of Directors, to the Executive Director, who shall distribute them to the membership.

Treasurer: The Treasurer shall arrange for the custody and continued management of SOLINET funds with the advice of the SOLINET Board of Directors. He shall arrange for a monthly statement and annual review of the management of all SOLINET funds. He shall obtain an annual audit of SOLINET funds and present such audit to the SOLINET Board of Directors for action.

ARTICLE VI.

MEMBERSHIP MEETINGS

Section 1. An annual meeting of the members for the transaction of business shall be held at such time and in such place as announced in writing to each Member by the Chairman of the Board of Directors at least thirty (30) days in advance of the meeting.

Section 2. Special Membership meetings shall be called by him on petition by twenty-five percent of the members. Notice of a special meeting must be sent to each member by the Chairman of the Board of Directors at least fourteen (14) days in advance of the meeting.

Section 3. At any Membership meeting, a majority of the membership shall constitute a quorum.

Section 4. The Chairman of the Board of Directors shall be the presiding officer at Membership meetings. In his absence, the Vice-Chairman shall be the presiding officer.

Section 5. At any Membership meeting, each member shall be entitled to one vote.

ARTICLE VII.

ADMINISTRATION

Section 1. Responsibilities of the Executive Director.

a. The Executive Director shall have authority in all matters relative to the operation of SOLINET except where specifically limited by the Board of Directors and by official policies of SOLINET and/or any agency with which SOLINET may affiliate.

b. The Executive Director shall recommend to the Board of Directors annual budgets and shall be responsible to the Board of Directors for all expenditures of the Network.

c. He shall be responsible to the Board of Directors for program determination and development.

d. The Executive Director, with the advice and approval of the Board of Directors, shall regularly inform the members of SOLINET on financial and administrative responsibilities and on the general status and progress of SOLINET's activities. This will be done at Membership meetings, by circulation of the minutes of Board of Directors meetings, by newsletters, or any other appropriate means.

e. The Executive Director shall be responsible, with the Board of Directors, for raising funds through grants from funding agencies. He shall recommend the assessment of membership fees to the Board of Directors for approval before being submitted at any membership meeting and may be assisted in determining fees by a committee appointed by the Board of Directors (See Article IV., Section 9).

f. The Executive Director may negotiate agreements and contracts with various groups and outside agencies and establish operational and technical relationships for the Network. Final agreements with these agencies must be approved by the voting members of the Board of Directors.

g. The Executive Director shall publish an annual report by the fall of each year covering the activities and financial reports for the preceding fiscal year.

Section 2. Staff.

a. The Executive Director is responsible for selecting and hiring the professional staff of SOLINET, but the Assistant Executive Director,

the Technical Director, and Chief Librarian must have the approval of the Board of Directors.

b. The service staff of SOLINET shall be employees of the agency having administrative and fiscal responsibilities to SOLINET and thus subject to the personnel and administrative policies of that agency, but the staff is responsible to the Executive Director of SOLINET for the performance of their duties.

ARTICLE VIII.

PARLIAMENTARY AUTHORITY

The rules contained in the following cited work shall govern SOLINET meetings in all cases which are applicable:

Robert, Sarah Corbin. *Robert's Rules of Order,* Newly Revised. Glenview, Ill., Scott, Foresman. Latest edition.

ARTICLE IX.

AMENDMENTS

These Bylaws may be amended at the Annual Meeting of the Membership by a two-third (2/3) vote of the members present and voting. Proposed amendments to the Bylaws must be submitted to the Chairman of the Board of Directors who is required to circulate them to the membership thirty (30) days prior to the Annual Meeting at which time they are to be voted on. Proposed amendments should be submitted to the Chairman of the Board of Directors in sufficient time to meet the deadline for mailing to the membership.

Appendix H Financial Statements and Auditors' Report

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS
35 BROAD STREET, N. W.
ATLANTA, GEORGIA 30303

Southeastern Library Network, Inc.:

We have examined the balance sheet of Southeastern Library Network, Inc. as of June 30, 1975 and the related statement of support, revenue, and expenses and changes in fund balance for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned statements present fairly the financial position of Southeastern Library Network, Inc. at June 30, 1975 and the results of its operations and changes in fund balance for the year then ended, in conformity with generally accepted accounting principles which, except for the change in the method of accounting for the value of services donated by volunteers as described in Note 1 to the financial statements, have been applied on a basis consistent with that of the preceding period.

August 29, 1975

Haskins & Sells

SOUTHEASTERN LIBRARY NETWORK, INC.

BALANCE SHEET

JUNE 30, 1975 AND 1974

	1975	1974 (Note 6)
ASSETS		
Cash	$ 89,458	$ 15,973
United States Treasury bills	660,755	829,336
Accounts receivable from member libraries for sales of products and services	248,276	
Advance payments to The Ohio College Library Center for services to be received	186,026	
Furniture and equipment (net of accumulated depreciation of $495)	12,802	
Other assets	1,600	
Total	$1,198,917	$845,309
LIABILITIES		
Accounts payable and accrued	$ 195,520	$ 3,040
Unearned revenue:		
Advance payments by member libraries for services to be rendered	211,581	6,883
Membership dues	600	
Total	407,701	9,923
Fund balances:		
Designated by the Board of Directors for development of a library network and computer center (Note 4)	600,000	600,000
Undesignated	191,216	235,386
Total	791,216	835,386
Total	$1,198,917	$845,309

See the Notes to the Financial Statements.

SOUTHEASTERN LIBRARY NETWORK, INC.

STATEMENT OF SUPPORT, REVENUE, AND EXPENSES
AND CHANGES IN FUND BALANCE
FOR THE PERIOD FROM FEBRUARY 1973 TO JUNE 30, 1974
AND FOR THE YEAR ENDED JUNE 30, 1975

	1975	1974 (Note 6)
SUPPORT AND REVENUE:		
Initial membership fees	$ 47,980	$268,891
Grants (Note 1)	6,600	600,000
Donated services (Notes 1 and 5)	77,550	
Interest	59,267	17,384
Fees for services and sales of products to member libraries, $725,272, less direct costs of services and products, $713,156	12,116	
Other	3,400	
Total	206,913	886,275
EXPENSES:		
Salaries of staff	81,222	5,813
Deferred annuity and group insurance premiums, social security taxes, etc	13,668	315
Fees for part-time consultants and assistants	4,093	878
Travel and conferences of staff, temporary committees, part-time consultants, etc	31,920	18,546
Office operations	22,329	3,587
Computer services		18,027
Rent, maintenance, and utilities	12,137	
Depreciation	495	
Professional services	7,422	3,393
Donated services (Notes 1 and 5)	77,550	
Other	247	330
Total	251,083	50,889
SUPPORT AND REVENUE IN EXCESS OF (LESS THAN) EXPENSES	(44,170)	835,386
FUND BALANCE, BEGINNING OF PERIOD	835,386	
FUND BALANCE, END OF PERIOD	$791,216	$835,386

See the Notes to the Financial Statements.

SOUTHEASTERN LIBRARY NETWORK, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 1973 TO JUNE 30, 1974
AND FOR THE YEAR ENDED JUNE 30, 1975

1. SIGNIFICANT ACCOUNTING POLICIES

Southeastern Library Network, Inc. (SOLINET) has entered into an agreement with The Ohio College Library Center (OCLC) under which OCLC provides computerized bibliographic services for SOLINET member libraries. SOLINET pays service fees to OCLC, recording the fees as direct costs of service when the service is rendered by OCLC; advance payments to OCLC for services to be rendered are recorded as assets. SOLINET charges service fees to the member libraries, recording the fees as revenue when they are earned; advance payments to SOLINET by member libraries for services to be rendered are recorded as liabilities.

During the year ended June 30, 1975, SOLINET purchased display terminals and computer materials and sold them to member libraries at SOLINET's costs, recording the revenue and direct costs at the date of sale.

Grants received for network development purposes are recorded as support when the grants are received. Grants received for purposes specified by the grantors are recorded as support when the related costs are incurred.

During the year ended June 30, 1975 SOLINET recorded donated services when the following circumstances existed:

- The services performed are a normal part of the SOLINET program and would otherwise be performed by salaried personnel.
- SOLINET exercises general control over the employment and duties of the donors of the services, within SOLINET'S policies and program objectives.
- SOLINET has a clearly measurable basis for the amount.

It is not practicable to determine the amount of donated services received prior to July 1, 1974 since they were not accounted for prior to that date.

United States Treasury bills are stated at cost plus accrued discount.

Furniture and equipment are stated at cost less accumulated depreciation. Depreciation is computed by the straight-line method based on the estimated useful lives of the classes of depreciable property, generally ten years for furniture and six years for equipment.

2. TAX STATUS

SOLINET is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code. Donors may deduct contributions to SOLINET as provided in Section 170 of the Code. The Internal Revenue Service has issued an advance ruling stating that SOLINET will be treated as a publicly supported organization of the type described in Section 509 (a) (2) of the Code and not as a private foundation during the advance ruling period. SOLINET has submitted information to the Internal Revenue Service for a final determination of foundation status.

3. PENSION PLAN

SOLINET has a contributory pension plan for eligible employees which provides for the purchase of individual deferred annuity contracts from Teachers Insurance and Annuity Association of America. Pension expense for the year ended June 30, 1975 was $4,707.

4. GRANT FOR DEVELOPMENT

During the year ended June 30, 1974 SOLINET received and included in support a $600,000 grant from the Andrew W. Mellon Foundation to assist in the development and initial operation of a computer-based library network in the southeastern United States. This amount has been designated by the Board of Directors for the purpose specified by the donor.

5. DONATED SERVICES

Southern Regional Education Board has donated administrative and fiscal services to SOLINET under a memorandum of agreement. Volunteers have donated their services in developing operating policies and procedures and in training member library personnel. These services have been accounted for as donations at their estimated value.

6. RECLASSIFICATIONS OF 1974 STATEMENTS

The financial statements for the period ended June 30, 1974, presented for comparative purposes, were examined by other accountants, and are not covered by the accompanying opinion of Haskins & Sells. Certain reclassifications have been made to conform to the reporting format for the year ended June 30, 1975.

See Note 1 for an explanation of a change in the method of accounting for the value of donated services.